

SEP 18 2006

REMARKS**I. INTRODUCTION**

Claims 1-15, 26-61, 63, 64 and 67-70 are pending in the present application. In view of the following remarks, it is respectfully submitted that all of the presently pending claims are allowable.

II. THE 35 U.S.C. § 103(a) REJECTIONS SHOULD BE WITHDRAWN

The Examiner has rejected claims 1-13, 29-61, 63, 64 and 68-70 under 35 U.S.C. § 103(a) as unpatentable over U.S. Patent 6,401,074 to Sleeper ("the Sleeper reference"). (See 6/26/06 Office Action, ¶ 4).

The Sleeper reference describes an augmented point of sale (POS) system that displays, during a retail transaction, promotional information to a customer selected on the basis of the context of the transaction. (See the Sleeper reference, Abstract). The augmented POS, or promotional retailing system (PRS), consists of a new generation POS system (PC 102, display monitor 104, cash drawer component 108, printing device 110) used at a check out counter 111, and further includes an auxiliary display device 602. (*Id.* at col. 6, lines 1-10). As described by the Sleeper reference, a retail transaction includes various events "E." (*Id.* at col. 6, lines 43-46). For example, an identification of a consumer using a membership card is an event. (*Id.* at col. 6, lines 50-58). Other examples of events include: an end to a scan input (step 408), display of a price (step 412), adding to a list of items (step 416) and deleting from the list of items (step 422). (*Id.* at col. 7, lines 11-14). For each designated event, the PRS may carry out the event and display promotional material, informational messages, discounts and specials on the auxiliary display device 602. (*Id.* at col. 7, lines 56-67).

Claim 1 recites a method for displaying advertisements ("ads") at a point-of-sale (POS) location comprising "*dividing a consumer transaction at a POS location into multiple time frames, a total duration of the time frames equaling a total duration of the transaction*" and "*determining an advertisement (ad) for display in one of the time frames*" and "*displaying the ad in the one of the time frames*" in combination with "*adjusting a duration of the ad based on whether the one of the time frames has ended.*"

Initially, it should be noted that the events disclosed by the Sleeper reference are not analogous to the time frames of the present invention. According to the specification of the present invention, frames are divisions of a transaction. (See Specification, p. 19, line 28 - p. 20, line 5). The frames are either time- or activity-wise divisions of the transaction and a transition from one frame to the next may occur as a result of a user action. (Id. at p. 22, lines 4-16). Thus, the frames are not events, but rather specific portions of the transaction and refer to actual time periods with durations—fixed or otherwise. This is evidenced by the fact that two sequential frames may be separated by an interstitial frame, which is unused (i.e., no ads are displayed during the interstitial frame). (Id. at p. 25, lines 25-30). Here, the Applicants wish to clarify this distinction by noting that the frames necessarily coincide with conditions (e.g., a user action, a timer, etc.) that cause the frames to advance. These conditions comprise the transaction and thus, the progression of the transaction dictates that of the frames. However, it would be erroneous to conclude that the conditions are the same as the events described by the Sleeper reference. Unlike the events, the conditions may be used to enter into *and* exit from a frame. The Examiner contends that the length of the events dictate the length of the messages. (See 6/26/06 Office Action, ¶ 80). However, the Applicants respectfully disagree. The events indicate that some activity has occurred, but provide no indication of when activity ceases. This is because the events are triggers that lack duration and cannot be used to refer to any particular portion of the transaction. For example, in Fig. 3 of the Sleeper reference, an event is recorded in step 302. However, the transaction may progress to step 304 or remain in step 302 while a message associated with the recorded event is prepared and displayed. This example illustrates that it is not possible to use the events of the Sleeper reference to refer to divisions of a